

Members

Rep. William Crawford, Chairperson
Rep. Charlie Brown
Rep. Peggy Welch
Rep. Timothy Brown
Rep. Suzanne Crouch
Rep. Don Lehe
Sen. Patricia Miller
Sen. Robert Meeks
Sen. Ryan Mishler
Sen. Sue Errington
Sen. Vi Simpson
Sen. Connie Sipes



SELECT JOINT COMMISSION ON MEDICAID OVERSIGHT

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MEETING MINUTES¹

Meeting Date: August 20, 2008
Meeting Time: 10:00 A.M.
Meeting Place: State House, 200 W. Washington
St., House Chambers
Meeting City: Indianapolis, Indiana
Meeting Number: 2

Members Present: Rep. William Crawford, Chairperson; Rep. Charlie Brown; Rep. Peggy Welch; Rep. Timothy Brown; Rep. Suzanne Crouch; Rep. Don Lehe; Sen. Patricia Miller; Sen. Robert Meeks; Sen. Ryan Mishler; Sen. Sue Errington; Sen. Vi Simpson; Sen. Connie Sipes.

Members Absent: None.

Chairperson Crawford called the meeting to order at 10:15 a.m. and announced that the agenda would be abbreviated because of the Health Finance Commission's meeting scheduled to start at 1:00 p.m. Representative Crawford stated that because the last Commission meeting addressed the IBM/ACS contracting issues, public testimony would not be taken on this issue, but the Commission's questions to FSSA and FSSA's responses would be included in the minutes as an exhibit. See Exhibit 1A and 1B. He added that public testimony would be taken on dental care and mental health issues in the Medicaid program.

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.in.gov/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

Representative Crawford informed the Commission that the final meeting would be on October 22, 2008, but that the Commission may have another meeting before that date.

Dental Services in Medicaid

Mr. Ed Popcheff, representing the Indiana Dental Association, stated that the Indiana Dental Association has a good relationship with FSSA. The Association has some concerns with dental services offered in the Medicaid program. First, despite a minor reimbursement rate increase earlier this year, Medicaid reimbursement in comparison to private insurance is underfunded. Second, dental services under Medicaid for adults are capped at \$600. This amount may be sufficient for routine exams and maintenance, but often Medicaid adults first present with significant dental problems that exceed the capped amount. Third, Medicaid spenddown is problematic because the dental provider does not know if the individual has met the individual's required spenddown amount before the services can be provided and the dental care provider is often required to submit the reimbursement at the end of the month after the individual has met the monthly spenddown. If the individual does not meet the individual's spenddown requirement for the month, it is difficult for the dental provider to collect payment from the individual. This issue is particularly prevalent in the rural areas of the state and is resulting in dentists ceasing to participate in the Medicaid program.

In response to a question from the Chairperson regarding emphasizing preventative dental care because of the dental issues that can affect the overall health of an individual, Mr. Popcheff stated that the Indiana Dental Association is supporting a program "Born to Smile" that focuses on establishing a dental home for a mother and newborn before the child turns one year old.

Secretary Mitch Roob, FSSA, stated that there is a need to work to have providers in different specialties work together to provide services to pregnant women, and that dental concerns are a health issue for pregnant women. Concerning the reimbursement rates, Secretary Roob stated that Medicaid's dental rates have been deemed by outside sources to be actuarially sound. Secretary Roob stated that spenddown will be discussed at a future Health Finance Commission meeting. See Exhibit 2 for copy of FSSA's presentation to the Commission.

Medical Mental Health Services

Mr. Matt Brooks, representing the community mental health centers, stated that the community health centers have three issues regarding the carve in of behavioral mental health services for managed care organizations under the Medicaid program. First, the administrative costs for the community mental health centers to provide all of the documentation required by the managed care organizations. Second, the accounts receivable and the time frame in which payment is received for services provided by the community mental health center. The third issue is the financial viability of the subcontractors providing behavioral health services for the managed care organizations. If the subcontractor goes out of business, how would that affect providing services to Medicaid recipients? Mr. Brooks requested free and consistent training for community mental health center staff in the administrative requirements and documentation required by the subcontractors. Mr. Brooks stated that there has been better uniformity for services covered by the subcontractors in the last couple of months.

Ms. Pat McGuffey, representing the Indiana Psychological Association, stated that in a study of Indiana psychologists conducted by Dr. Jim Kenny, 84% of the psychologists

responding to the survey stated that they have decreased their acceptance of Medicaid patients since privatization. 45% of the psychologists responding to the survey stated that they no longer accept Medicaid patients at all. Psychologists have listed the following reasons for reducing services to Medicaid patients: (1) the pre-authorization procedures are very laborious while reimbursement is very low; (2) payments are very late, often as late as six months after the claim is submitted, and denials happen too frequently, requiring appeals; (3) the credentialing process is unduly burdensome; and (4) licensed practitioners are having difficulty getting reimbursement for Master level practitioners and students under the licensed practitioner's supervision. See Exhibit 3 for a letter from the Indiana Psychological Association stating these concerns.

Secretary Roob stated that the reimbursement time frames for mental health services by managed care organizations range from an average of six to seventeen days. See Exhibit 1.

FSSA Testimony

Secretary Roob responded to questions from the Commission. When asked whether FSSA would seek approval from the federal government to raise the Children's Health Insurance Program (CHIP) eligibility to 300% of the federal poverty level (FPL), Secretary Roob stated that the federal government first indicated that it would not approve a state's request to raise CHIP eligibility past 250% of FPL; however, there have been recent indications that the federal government may be changing this position, and Secretary Roob will find out more the last week of August when the federal CMS director visits the state. When asked whether Indiana's CHIP enrollment meets the 95% coverage of eligible individuals that has been indicated by the federal government to allow a state's eligibility to be approved at 300% FPL, Secretary Roob stated that Indiana covers 93.5% of eligible children under Medicaid and CHIP. Commission members requested that the coverage information be separated by program- Medicaid, CHIP I and CHIP II. Secretary Roob said that he hopes to achieve the 95% threshold by increasing marketing. When asked whether FSSA has joined other states to formally file a complaint with CMS for not approving increasing eligibility to 300% of FPL, Secretary Roob commented that FSSA has taken the approach of talking and working privately and collaboratively with CMS instead of filing a complaint. In response to a question concerning implementation, Secretary Roob stated that it took FSSA several months to increase the CHIP eligibility to 250% because the computer program (ICES) had to be changed to implement the new eligibility percentage.

Chairperson Crawford asked Secretary Roob to share with the Commission any policy changes that FSSA is looking at for the Medicaid program since the Legislature sets policy and the Commission is responsible for overseeing the Medicaid program.

In response to a request for an update on the presumptive eligibility for pregnant women, Secretary Roob stated that with the help of legislators, FSSA will be using a broader definition of enrollment center in FSSA's request to CMS this month to provide presumptive eligibility for pregnant women in Indiana's Medicaid program.

Chairperson Crawford asked Secretary Roob about how well Indiana meets the federal requirement of providing the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) program for its Medicaid children population when managed care organizations receive a bonus from FSSA for providing EPSDT to 35% and 40% of the required population. FSSA referred the Commission to FSSA's responses to questions given to the Commission at the July 31, 2008 meeting. See Exhibit 4, pages 9 and 10. Tracking this information is difficult because FSSA only has access to claims data, not a

patient's medical record, and the best data available is the Health Effectiveness Data and Information Set (HEDIS) measures reported by the managed care organizations to FSSA. However, FSSA does not usually receive this information from the managed care organizations until sixteen months later and the data is usually too old to be useful. FSSA stated that the incentives paid to managed care organizations for meeting EPSDT goals set by FSSA total \$5 million. When asked whether a managed care organization has been sanctioned for not providing EPSDT testing in the past, Secretary Roob stated that he could not recall a sanction for this reason.

The Commission briefly discussed medical records following a patient when the patient changes managed care organizations and the electronic data movement in the country.

When asked whether the state is violating federal law concerning food stamps, Secretary Roob read a letter from the Department of Agriculture to FSSA noting Indiana's statewide improvements. When asked for statistics concerning food stamps in modernization counties versus counties under the previous system, Secretary Roob stated that the numbers are affected by the flood and he is waiting to see the August numbers on food stamp eligibility. When asked about a public meeting notice published in the Indiana Register about a meeting September 4, 2008 about changing the timeline for processing food stamps from 60 days to 30 days, Secretary Roob stated that he was unaware of a meeting on this issue and was not prepared to discuss the subject.

When asked about the status of the modernization rollout of additional counties, Secretary Roob stated that he was waiting to see the August numbers before making a determination on this, and one possibility would be to roll out smaller areas at one time and improve training in the system. When asked how much money is predicted to be saved on privatization and modernization, Secretary Roob stated that the result would be cost avoidance rather than savings.

Representative Crouch stated that while she has seen some improvements in the privatization and modernization program in her district, there are still some existing problems that she is aware of and would like to bring these to the attention of the Commission and FSSA. See Exhibit 5.

When asked whether there is external oversight of the IBM/ACS contract, Secretary Roob stated that an outside vendor has been contracted by FSSA to monitor this contract. When asked whether liquidated damages could be assessed on IBM/ACS, Secretary Roob stated that the contract allows for this starting in September and any assessed penalty would be part of FSSA's quarterly financial review report.

The meeting was adjourned at 12:05 p.m.